

COMMITTEE ON EDUCATION K-12

SENATE AMENDMENTS TO S.B. 1359

(Reference to printed bill)

Strike everything after the enacting clause and insert:

“Section 1. Section 15-761, Arizona Revised Statutes, is amended to read:

15-761. Definitions

In this article, unless the context otherwise requires:

1. "Autism" means a developmental disability that significantly affects verbal and nonverbal communication and social interaction and that adversely affects educational performance. Characteristics include irregularities and impairments in communication, engagement in repetitive activities and stereotyped movements, resistance to environmental change or change in daily routines and unusual responses to sensory experiences. Autism does not include children with characteristics of emotional disability as defined in this section.

2. "Child with a disability":

(a) Means a child who is at least three years but less than twenty-two years of age, who has been evaluated pursuant to section 15-766 and found to have at least one of the following disabilities and who, because of the disability, needs special education and related services:

(i) Autism.

(ii) DEVELOPMENTAL DELAY.

(iii) EARLY CHILDHOOD SEVERE DELAY.

~~(ii)~~ (iv) Emotional disability.

~~(iii)~~ (v) Hearing impairment.

~~(iv)~~ (vi) Other health impairments.

~~(v)~~ (vii) Specific learning disability.

~~(vi)~~ (viii) Mild, moderate or severe mental retardation.

~~(vii)~~ (ix) Multiple disabilities.

~~(viii)~~ (x) Multiple disabilities with severe sensory impairment.

~~(ix)~~ (xi) Orthopedic impairment.

~~(x) Preschool moderate delay.~~

~~(xi) Preschool severe delay.~~

~~(xii) Preschool speech/language delay.~~

~~(xiii)~~ (xii) Speech/language impairment.

~~(xiv)~~ (xiii) Traumatic brain injury.

~~(xv)~~ (xiv) Visual impairment.

(b) Does not include a child if the determinant factor for the classification is one or more of the following:

(i) A lack of appropriate instruction in reading, including essential components of reading instruction.

(ii) A lack of appropriate instruction in mathematics.

(iii) Difficulty in writing, speaking or understanding the English language due to an environmental background in which a language other than English is primarily or exclusively used.

3. "DEVELOPMENTAL DELAY" MEANS PERFORMANCE BY A CHILD WHO IS AGE THREE THROUGH NINE ON A NORM-REFERENCED TEST THAT MEASURES AT LEAST ONE AND ONE-HALF OR MORE STANDARD DEVIATIONS BELOW THE MEAN FOR CHILDREN OF THE SAME CHRONOLOGICAL AGE IN TWO OR MORE OF THE FOLLOWING AREAS:

(a) COGNITIVE DEVELOPMENT.

(b) PHYSICAL DEVELOPMENT.

(c) COMMUNICATION DEVELOPMENT.

(d) SOCIAL OR EMOTIONAL DEVELOPMENT.

(e) ADAPTIVE DEVELOPMENT.

THE RESULTS OF THE NORM-REFERENCED MEASURE MUST BE CORROBORATED BY INFORMATION FROM A COMPREHENSIVE DEVELOPMENT ASSESSMENT AND FROM PARENTAL INPUT, IF AVAILABLE, AS MEASURED BY A JUDGMENT BASED ASSESSMENT OR SURVEY. IF THERE IS A DISCREPANCY BETWEEN THE MEASURES, THE EVALUATION TEAM SHALL DETERMINE ELIGIBILITY BASED ON A PREPONDERANCE OF THE INFORMATION PRESENTED.

~~3.~~ 4. "Due process hearing" means a fair and impartial administrative hearing conducted by the state educational agency by an impartial administrative law judge in accordance with federal and state law.

1 5. "EARLY CHILDHOOD SEVERE DELAY" MEANS PERFORMANCE BY A PRESCHOOL
2 CHILD ON A NORM-REFERENCED TEST THAT MEASURES MORE THAN THREE STANDARD
3 DEVIATIONS BELOW THE MEAN FOR CHILDREN OF THE SAME CHRONOLOGICAL AGE IN ONE
4 OR MORE OF THE FOLLOWING AREAS:

- 5 (a) COGNITIVE DEVELOPMENT.
- 6 (b) PHYSICAL DEVELOPMENT.
- 7 (c) COMMUNICATION DEVELOPMENT.
- 8 (d) SOCIAL OR EMOTIONAL DEVELOPMENT.
- 9 (e) ADAPTIVE DEVELOPMENT.

10 THE RESULTS OF THE NORM-REFERENCED MEASURE MUST BE CORROBORATED BY
11 INFORMATION FROM A COMPREHENSIVE DEVELOPMENT ASSESSMENT AND FROM PARENTAL
12 INPUT, IF AVAILABLE, AS MEASURED BY A JUDGMENT BASED ASSESSMENT OR SURVEY. IF
13 THERE IS A DISCREPANCY BETWEEN THE MEASURES, THE EVALUATION TEAM SHALL
14 DETERMINE ELIGIBILITY BASED ON A PREPONDERANCE OF THE INFORMATION PRESENTED.

15 ~~4.~~ 6. "Educational disadvantage" means a condition which has limited a
16 child's opportunity for educational experience resulting in a child achieving
17 less than a normal level of learning development.

18 ~~5.~~ 7. "Eligibility for special education" means the pupil must have
19 one of the disabilities contained in paragraph 2 of this section and must
20 also require special education services in order to benefit from an
21 educational program.

22 ~~6.~~ 8. "Emotional disability":

23 (a) Means a condition whereby a child exhibits one or more of the
24 following characteristics over a long period of time and to a marked degree
25 that adversely affects the child's performance in the educational
26 environment:

27 (i) An inability to learn which cannot be explained by intellectual,
28 sensory or health factors.

29 (ii) An inability to build or maintain satisfactory interpersonal
30 relationships with peers and teachers.

31 (iii) Inappropriate types of behavior or feelings under normal
32 circumstances.

1 (iv) A general pervasive mood of unhappiness or depression.

2 (v) A tendency to develop physical symptoms or fears associated with
3 personal or school problems.

4 (b) Includes children who are schizophrenic but does not include
5 children who are socially maladjusted unless they are also determined to have
6 an emotional disability as determined by evaluation as provided in section
7 15-766.

8 ~~7-~~ 9. "Hearing impairment" means a loss of hearing acuity, as
9 determined by evaluation pursuant to section 15-766, which interferes with
10 the child's performance in the educational environment and requires the
11 provision of special education and related services.

12 ~~8-~~ 10. "Home school district" means the school district in which the
13 person resides who has legal custody of the child, as provided in section
14 15-824, subsection B. If the child is a ward of the state and a specific
15 person does not have legal custody of the child, the home school district is
16 the district that the child last attended or, if the child has not previously
17 attended a public school in this state, the school district within which the
18 child currently resides.

19 ~~9-~~ 11. "Impartial administrative law judge" means an administrative
20 law judge of the office of administrative hearings who is knowledgeable in
21 the laws governing special education and administrative hearings.

22 ~~10-~~ 12. "Individualized education program" means a written statement,
23 as defined in 20 United States Code sections 1401 and 1412, for providing
24 special education and related services to a child with a disability.

25 ~~11-~~ 13. "Individualized education program team" means a team whose task
26 is to develop an appropriate educational program for the child and has the
27 same meaning prescribed in 20 United States Code section 1414.

28 ~~12-~~ 14. "Mental retardation" means a significant impairment of general
29 intellectual functioning that exists concurrently with deficits in adaptive
30 behavior and that adversely affects the child's performance in the
31 educational environment.

1 ~~13-~~ 15. "Mild mental retardation" means performance on standard
2 measures of intellectual and adaptive behavior between two and three standard
3 deviations below the mean for children of the same age.

4 ~~14-~~ 16. "Moderate mental retardation" means performance on standard
5 measures of intellectual and adaptive behavior between three and four
6 standard deviations below the mean for children of the same age.

7 ~~15-~~ 17. "Multidisciplinary evaluation team" means a team of persons
8 including individuals described as the individualized education program team
9 and other qualified professionals who shall determine whether a child is
10 eligible for special education.

11 ~~16-~~ 18. "Multiple disabilities" means learning and developmental
12 problems resulting from multiple disabilities as determined by evaluation
13 pursuant to section 15-766 that cannot be provided for adequately in a
14 program designed to meet the needs of children with less complex
15 disabilities. Multiple disabilities include any of the following conditions
16 that require the provision of special education and related services:

17 (a) Two or more of the following conditions:

18 (i) Hearing impairment.

19 (ii) Orthopedic impairment.

20 (iii) Moderate mental retardation.

21 (iv) Visual impairment.

22 (b) A child with a disability listed in subdivision (a) of this
23 paragraph existing concurrently with a condition of mild mental retardation,
24 emotional disability or specific learning disability.

25 ~~17-~~ 19. "Multiple disabilities with severe sensory impairment" means
26 multiple disabilities that include at least one of the following:

27 (a) Severe visual impairment or severe hearing impairment in
28 combination with another severe disability.

29 (b) Severe visual impairment and severe hearing impairment.

30 ~~18-~~ 20. "Orthopedic impairment" means one or more severe orthopedic
31 impairments and includes those that are caused by congenital anomaly, disease

1 and other causes, such as amputation or cerebral palsy, and that adversely
2 affect a child's performance in the educational environment.

3 ~~19-~~ 21. "Other health impairments" means limited strength, vitality or
4 alertness, including a heightened alertness to environmental stimuli, due to
5 chronic or acute health problems which adversely affect a pupil's educational
6 performance.

7 ~~20-~~ 22. "Out-of-home care" means the placement of a child with a
8 disability outside of the home environment and includes twenty-four hour
9 residential care, group care or foster care on either a full-time or
10 part-time basis.

11 ~~21-~~ 23. "Parent" means:

12 (a) Either a natural or adoptive parent of a child.

13 (b) A guardian, but not this state if the child is a ward of this
14 state.

15 (c) A person acting in the place of a natural or adoptive parent with
16 whom the child lives or a person who is legally responsible for the child's
17 welfare.

18 (d) A surrogate parent.

19 (e) A foster parent to the extent permitted by state law.

20 ~~22-~~ 24. "Preschool child" means a child who is at least three years of
21 age but who has not reached the required age for kindergarten, subject to
22 section 15-771, subsection G.

23 ~~23. "Preschool moderate delay" means performance by a preschool child~~
24 ~~on a norm-referenced test that measures at least one and one-half, but not~~
25 ~~more than three, standard deviations below the mean for children of the same~~
26 ~~chronological age in two or more of the following areas:~~

27 ~~(a) Cognitive development.~~

28 ~~(b) Physical development.~~

29 ~~(c) Communication development.~~

30 ~~(d) Social or emotional development.~~

31 ~~(e) Adaptive development.~~

1 ~~The results of the norm-referenced measure must be corroborated by~~
2 ~~information from a comprehensive developmental assessment and from parental~~
3 ~~input, if available, as measured by a judgment based assessment or~~
4 ~~survey. If there is a discrepancy between the measures, the evaluation team~~
5 ~~shall determine eligibility based on a preponderance of the information~~
6 ~~presented.~~

7 ~~24. "Preschool severe delay" means performance by a preschool child on~~
8 ~~a norm-referenced test that measures more than three standard deviations~~
9 ~~below the mean for children of the same chronological age in one or more of~~
10 ~~the following areas:~~

11 ~~(a) Cognitive development.~~

12 ~~(b) Physical development.~~

13 ~~(c) Communication development.~~

14 ~~(d) Social or emotional development.~~

15 ~~(e) Adaptive development.~~

16 ~~The results of the norm-referenced measure must be corroborated by~~
17 ~~information from a comprehensive developmental assessment and from parental~~
18 ~~input, if available, as measured by a judgment based assessment or~~
19 ~~survey. If there is a discrepancy between the measures, the evaluation team~~
20 ~~shall determine eligibility based on a preponderance of the information~~
21 ~~presented.~~

22 ~~25. "Preschool speech/language delay" means performance by a preschool~~
23 ~~child on a norm-referenced language test that measures at least one and~~
24 ~~one-half standard deviations below the mean for children of the same~~
25 ~~chronological age or whose speech, out of context, is unintelligible to a~~
26 ~~listener who is unfamiliar with the child. Eligibility under this paragraph~~
27 ~~is appropriate only if a comprehensive developmental assessment or~~
28 ~~norm-referenced assessment and parental input indicate that the child is not~~
29 ~~eligible for services under another preschool category. The evaluation team~~
30 ~~shall determine eligibility based on a preponderance of the information~~
31 ~~presented.~~

~~26-~~ 25. "Prior written notice" means written prior notice that a public educational agency is required to send to parents whenever the public educational agency proposes or refuses to initiate or change the identification, evaluation or educational placement of a child with a disability or the provision of a free appropriate public education.

~~27-~~ 26. "Public educational agency" means a school district, a charter school, an accommodation school, a state supported institution or any other political subdivision of this state that is responsible for providing education to children with disabilities.

~~28-~~ 27. "Related services" means those supportive services, as defined in 20 United States Code section 1401, that are required to assist a child with a disability who is eligible to receive special education services in order for the child to benefit from special education.

~~29-~~ 28. "Residential special education placement" means the placement of a child with a disability in a public or private residential program, as provided in section 15-765, subsection G, in order to provide necessary special education and related services as specified in the child's individualized education program.

~~30-~~ 29. "Severe mental retardation" means performance on standard measures of intellectual and adaptive behavior measures at least four standard deviations below the mean for children of the same age.

~~31-~~ 30. "Special education" means specially designed instruction that meets the unique needs of a child with a disability and that is provided without cost to the parents of the child.

~~32-~~ 31. "Special education referral" means a written request for an evaluation to determine whether a pupil is eligible for special education services that, for referrals not initiated by a parent, includes documentation of appropriate efforts to educate the pupil in the regular education program.

~~33-~~ 32. "Specially designed instruction" means adapting the content, methodology or delivery of instruction to address the unique needs of a child with a disability and to ensure that child's access to the general curriculum

1 as identified in the academic standards adopted by the state board of
2 education.

3 ~~34-~~ 33. "Specific learning disability" has the same meaning prescribed
4 in 20 United States Code section 1401.

5 ~~35-~~ 34. "Speech/language impairment" ~~FOR A CHILD WHO HAS REACHED THE~~
6 ~~REQUIRED AGE FOR KINDERGARTEN~~ means A speech or language impairment as
7 ~~prescribed~~ DEFINED in 34 Code of Federal Regulations section 300.8.
8 "SPEECH/LANGUAGE IMPAIRMENT" FOR A PRESCHOOL CHILD MEANS PERFORMANCE ON A
9 NORM-REFERENCED LANGUAGE TEST THAT MEASURES AT LEAST ONE-HALF STANDARD
10 DEVIATIONS BELOW THE MEAN FOR CHILDREN OF THE SAME CHRONOLOGICAL AGE OR WHOSE
11 SPEECH, OUT OF CONTEXT, IS UNINTELLIGIBLE TO A LISTENER WHO IS UNFAMILIAR
12 WITH THE CHILD. ELIGIBILITY FOR A PRESCHOOL CHILD UNDER THIS PARAGRAPH IS
13 APPROPRIATE ONLY WHEN A COMPREHENSIVE DEVELOPMENTAL ASSESSMENT AND PARENTAL
14 INPUT INDICATE THAT THE PRESCHOOL CHILD IS NOT ELIGIBLE FOR SERVICES UNDER
15 ANOTHER PRESCHOOL CATEGORY.

16 ~~36-~~ 35. "State educational agency" means the Arizona department of
17 education.

18 ~~37-~~ 36. "State placing agency" has the same meaning prescribed in
19 section 15-1181.

20 ~~38-~~ 37. "Surrogate parent" means a person who has been appointed by the
21 court or by the department of education pursuant to section 15-763.01 in
22 order to represent a child in decisions regarding special education.

23 ~~39-~~ 38. "Traumatic brain injury":

24 (a) Means an acquired injury to the brain that is caused by an
25 external physical force and that results in total or partial functional
26 disability or psychosocial impairment, or both, that adversely affects
27 educational performance.

28 (b) Applies to open or closed head injuries resulting in mild,
29 moderate or severe impairments in one or more areas, including cognition,
30 language, memory, attention, reasoning, abstract thinking, judgment, problem
31 solving, sensory, perceptual and motor abilities, psychosocial behavior,
32 physical functions, information processing and speech.

(c) Does not include brain injuries that are congenital or degenerative or brain injuries induced by birth trauma.

~~40-~~ 39. "Visual impairment" has the same meaning prescribed in 34 Code of Federal Regulations section 300.8.

~~41-~~ 40. "Ward of the state" has the same meaning prescribed in 20 United States Code section 1401.

Sec. 2. Section 15-771, Arizona Revised Statutes, is amended to read:

15-771. Preschool programs for children with disabilities:
definition

A. Each school district shall make available an educational program for preschool children with disabilities who reside in the school district and who are not already receiving services that have been provided through the department of education. The state board of education shall prescribe rules for use by school districts in the provision of educational programs for preschool children with disabilities. School districts are required to make available educational programs for and, for the purposes of calculating average daily attendance and average daily membership, may count only those preschool children who meet the definition of one of the following conditions:

1. Hearing impairment.
2. Visual impairment.
3. ~~Preschool-moderate~~ DEVELOPMENTAL delay.
4. ~~Preschool~~ EARLY CHILDHOOD severe delay.
5. ~~Preschool~~ Speech/language ~~delay~~ IMPAIRMENT.

The school district may make available an educational program for speech or language impaired preschool children whose performance on a standardized language test measures AT LEAST one and one-half standard deviations, ~~or less,~~ below the mean for children of ~~their~~ THE SAME chronological age OR WHOSE SPEECH, OUT OF CONTEXT, IS UNINTELLIGIBLE TO A LISTENER WHO IS UNFAMILIAR WITH THE CHILD. The superintendent of public instruction shall prescribe guidelines for the eligibility of speech or language impaired children, except that eligibility under this subsection is appropriate only

1 when a comprehensive developmental assessment ~~or norm-referenced assessment~~
2 and parental input indicate that the child is not eligible for services under
3 another preschool category.

4 B. The state board of education shall annually distribute to school
5 districts at least ten per cent of the monies it receives under 20 United
6 States Code section 1411(c)(2) for preschool programs for children with
7 disabilities. The state board shall prescribe rules for the distribution of
8 the monies to school districts.

9 C. The governing board of a school district may submit a proposal to
10 the state board of education as prescribed by the state board to receive
11 monies for preschool programs for children with disabilities as provided in
12 this section. A school district which receives monies as provided in this
13 section shall include the monies in the special projects section of the
14 budget as provided in section 15-903, subsection F.

15 D. All school districts shall cooperate, if appropriate, with
16 community organizations that provide services to preschool children with
17 disabilities in the provision of the district's preschool program for
18 children with disabilities.

19 E. A school district may not admit a child to a preschool program for
20 children with disabilities unless the child is evaluated and recommended for
21 placement as provided in sections 15-766 and 15-767.

22 F. For the purpose of allocating monies pursuant to 20 United States
23 Code section 1419(g)(1)(B)(i), "jurisdiction" includes high school pupils
24 whose parents reside within the boundaries of a common school district. The
25 common school district shall ensure such high school pupils are not counted
26 by any other school district.

27 G. For purposes of this section, "preschool child" means a child who
28 is at least three years of age but who has not reached the age required for
29 kindergarten. A preschool child is three years of age as of the date of the
30 child's third birthday. The governing board of a school district may admit
31 otherwise eligible children who are within ninety days of their third
32 birthday, if it is determined to be in the best interest of the individual

1 child. Children who are admitted to programs for preschool children prior to
2 their third birthday are entitled to the same provision of services as if
3 they were three years of age.

4 Sec. 3. Section 15-901, Arizona Revised Statutes, is amended to read:

5 15-901. Definitions

6 A. In this title, unless the context otherwise requires:

7 1. "Average daily attendance" or "ADA" means actual average daily
8 attendance through the first one hundred days or two hundred days in session,
9 as applicable.

10 2. "Average daily membership" means the total enrollment of fractional
11 students and full-time students, minus withdrawals, of each school day
12 through the first one hundred days or two hundred days in session, as
13 applicable, for the current year. Withdrawals include students formally
14 withdrawn from schools and students absent for ten consecutive school days,
15 except for excused absences as identified by the department of education.
16 For computation purposes, the effective date of withdrawal shall be
17 retroactive to the last day of actual attendance of the student.

18 (a) "Fractional student" means:

19 (i) For common schools, until fiscal year 2001-2002, a preschool child
20 who is enrolled in a program for preschool children with disabilities of at
21 least three hundred sixty minutes each week or a kindergarten student at
22 least five years of age prior to January 1 of the school year and enrolled in
23 a school kindergarten program that meets at least three hundred forty-six
24 instructional hours during the minimum number of days required in a school
25 year as provided in section 15-341. In fiscal year 2001-2002, the
26 kindergarten program shall meet at least three hundred forty-eight hours. In
27 fiscal year 2002-2003, the kindergarten program shall meet at least three
28 hundred fifty hours. In fiscal year 2003-2004, the kindergarten program
29 shall meet at least three hundred fifty-two hours. In fiscal year 2004-2005,
30 the kindergarten program shall meet at least three hundred fifty-four hours.
31 In fiscal year 2005-2006 and each fiscal year thereafter, the kindergarten
32 program shall meet at least three hundred fifty-six hours. Lunch periods and

1 recess periods may not be included as part of the instructional hours unless
2 the child's individualized education program requires instruction during
3 those periods and the specific reasons for such instruction are fully
4 documented. In computing the average daily membership, preschool children
5 with disabilities and kindergarten students shall be counted as one-half of a
6 full-time student. For common schools, a part-time student is a student
7 enrolled for less than the total time for a full-time student as defined in
8 this section. A part-time common school student shall be counted as
9 one-fourth, one-half or three-fourths of a full-time student if the student
10 is enrolled in an instructional program that is at least one-fourth, one-half
11 or three-fourths of the time a full-time student is enrolled as defined in
12 subdivision (b) of this paragraph.

13 (ii) For high schools, a part-time student who is enrolled in less
14 than four subjects that count toward graduation as defined by the state board
15 of education in a recognized high school and who is taught in less than
16 twenty instructional hours per week prorated for any week with fewer than
17 five school days. A part-time high school student shall be counted as
18 one-fourth, one-half or three-fourths of a full-time student if the student
19 is enrolled in an instructional program that is at least one-fourth, one-half
20 or three-fourths of a full-time instructional program as defined in
21 subdivision (c) of this paragraph.

22 (b) "Full-time student" means:

23 (i) For common schools, a student who is at least six years of age
24 prior to January 1 of a school year, who has not graduated from the highest
25 grade taught in the school district and who is regularly enrolled in a course
26 of study required by the state board of education. Until fiscal year
27 2001-2002, first, second and third grade students, ungraded students at least
28 six, but under nine, years of age by September 1 or ungraded group B children
29 with disabilities who are at least five, but under six, years of age by
30 September 1 must be enrolled in an instructional program that meets for a
31 total of at least six hundred ninety-two hours during the minimum number of
32 days required in a school year as provided in section 15-341. In fiscal year

2001-2002, the program shall meet at least six hundred ninety-six hours. In fiscal year 2002-2003, the program shall meet at least seven hundred hours. In fiscal year 2003-2004, the program shall meet at least seven hundred four hours. In fiscal year 2004-2005, the program shall meet at least seven hundred eight hours. In fiscal year 2005-2006 and in each fiscal year thereafter, the program shall meet at least seven hundred twelve hours. Until fiscal year 2001-2002, fourth, fifth and sixth grade students or ungraded students at least nine, but under twelve, years of age by September 1 must be enrolled in an instructional program that meets for a total of at least eight hundred sixty-five hours during the minimum number of school days required in a school year as provided in section 15-341. In fiscal year 2001-2002, the program shall meet at least eight hundred seventy hours. In fiscal year 2002-2003, the program shall meet at least eight hundred seventy-five hours. In fiscal year 2003-2004, the program shall meet at least eight hundred eighty hours. In fiscal year 2004-2005, the program shall meet at least eight hundred eighty-five hours. In fiscal year 2005-2006 and each fiscal year thereafter, the program shall meet at least eight hundred ninety hours. Until fiscal year 2001-2002, seventh and eighth grade students or ungraded students at least twelve, but under fourteen, years of age by September 1 must be enrolled in an instructional program that meets for a total of at least one thousand thirty-eight hours during the minimum number of days required in a school year as provided in section 15-341. In fiscal year 2001-2002, the program shall meet at least one thousand forty-four hours. In fiscal year 2002-2003, the program shall meet at least one thousand fifty hours. In fiscal year 2003-2004, the program shall meet at least one thousand fifty-six hours. In fiscal year 2004-2005, the program shall meet at least one thousand sixty-two hours. In fiscal year 2005-2006 and each fiscal year thereafter, the program shall meet at least one thousand sixty-eight hours. Lunch periods and recess periods may not be included as part of the instructional hours unless the student is a child with a disability and the child's individualized education program requires

1 instruction during those periods and the specific reasons for such
2 instruction are fully documented.

3 (ii) For high schools, except as provided in section 15-105, a student
4 not graduated from the highest grade taught in the school district, or an
5 ungraded student at least fourteen years of age by September 1, and enrolled
6 in at least a full-time instructional program of subjects that count toward
7 graduation as defined by the state board of education in a recognized high
8 school. A full-time student shall not be counted more than once for
9 computation of average daily membership.

10 (iii) For homebound or hospitalized, a student receiving at least four
11 hours of instruction per week.

12 (c) "Full-time instructional program" means:

13 (i) Through fiscal year 2000-2001, at least four subjects, each of
14 which, if taught each school day for the minimum number of days required in a
15 school year, would meet a minimum of one hundred twenty hours a year, or the
16 equivalent, or one or more subjects taught in amounts of time totaling at
17 least twenty hours per week prorated for any week with fewer than five school
18 days.

19 (ii) For fiscal year 2001-2002, an instructional program that meets at
20 least a total of seven hundred four hours during the minimum number of days
21 required and includes at least four subjects each of which, if taught each
22 school day for the minimum number of days required in a school year, would
23 meet a minimum of one hundred twenty-two hours a year, or the equivalent, or
24 one or more subjects taught in amounts of time totaling at least twenty hours
25 per week prorated for any week with fewer than five school days.

26 (iii) For fiscal year 2002-2003, an instructional program that meets
27 at least a total of seven hundred eight hours during the minimum number of
28 days required and includes at least four subjects each of which, if taught
29 each school day for the minimum number of days required in a school year,
30 would meet a minimum of one hundred twenty-two hours a year, or the
31 equivalent, or one or more subjects taught in amounts of time totaling at

1 least twenty hours per week prorated for any week with fewer than five school
2 days.

3 (iv) For fiscal year 2003-2004, an instructional program that meets at
4 least a total of seven hundred twelve hours during the minimum number of days
5 required and includes at least four subjects each of which, if taught each
6 school day for the minimum number of days required in a school year, would
7 meet a minimum of one hundred twenty-three hours a year, or the equivalent,
8 or one or more subjects taught in amounts of time totaling at least twenty
9 hours per week prorated for any week with fewer than five school days.

10 (v) For fiscal year 2004-2005, an instructional program that meets at
11 least a total of seven hundred sixteen hours during the minimum number of
12 days required and includes at least four subjects each of which, if taught
13 each school day for the minimum number of days required in a school year,
14 would meet a minimum of one hundred twenty-three hours a year, or the
15 equivalent, or one or more subjects taught in amounts of time totaling at
16 least twenty hours per week prorated for any week with fewer than five school
17 days.

18 (vi) For fiscal year 2005-2006 and each fiscal year thereafter, an
19 instructional program that meets at least a total of seven hundred twenty
20 hours during the minimum number of days required and includes at least four
21 subjects each of which, if taught each school day for the minimum number of
22 days required in a school year, would meet a minimum of one hundred
23 twenty-three hours a year, or the equivalent, or one or more subjects taught
24 in amounts of time totaling at least twenty hours per week prorated for any
25 week with fewer than five school days.

26 3. "Budget year" means the fiscal year for which the school district
27 is budgeting and which immediately follows the current year.

28 4. "Common school district" means a political subdivision of this
29 state offering instruction to students in programs for preschool children
30 with disabilities and kindergarten programs and grades one through eight.

31 5. "Current year" means the fiscal year in which a school district is
32 operating.

1 6. "Daily attendance" means:

2 (a) For common schools, days in which a pupil:

3 (i) Of a kindergarten program or ungraded, but not group B children
4 with disabilities, and at least five, but under six, years of age by
5 September 1 attends at least three-quarters of the instructional time
6 scheduled for the day. If the total instruction time scheduled for the year
7 is at least three hundred forty-six hours but is less than six hundred
8 ninety-two hours such attendance shall be counted as one-half day of
9 attendance. If the instructional time scheduled for the year is at least six
10 hundred ninety-two hours, "daily attendance" means days in which a pupil
11 attends at least one-half of the instructional time scheduled for the
12 day. Such attendance shall be counted as one-half day of attendance.

13 (ii) Of the first, second or third grades, ungraded and at least six,
14 but under nine, years of age by September 1 or ungraded group B children with
15 disabilities and at least five, but under six, years of age by September 1
16 attends more than three-quarters of the instructional time scheduled for the
17 day.

18 (iii) Of the fourth, fifth or sixth grades or ungraded and at least
19 nine, but under twelve, years of age by September 1 attends more than
20 three-quarters of the instructional time scheduled for the day, except as
21 provided in section 15-797.

22 (iv) Of the seventh or eighth grades or ungraded and at least twelve,
23 but under fourteen, years of age by September 1 attends more than
24 three-quarters of the instructional time scheduled for the day, except as
25 provided in section 15-797.

26 (b) For common schools, the attendance of a pupil at three-quarters or
27 less of the instructional time scheduled for the day shall be counted as
28 follows, except as provided in section 15-797 and except that attendance for
29 a fractional student shall not exceed the pupil's fractional membership:

30 (i) If attendance for all pupils in the school is based on quarter
31 days, the attendance of a pupil shall be counted as one-fourth of a day's
32 attendance for each one-fourth of full-time instructional time attended.

1 (ii) If attendance for all pupils in the school is based on half days,
2 the attendance of at least three-quarters of the instructional time scheduled
3 for the day shall be counted as a full day's attendance and attendance at a
4 minimum of one-half but less than three-quarters of the instructional time
5 scheduled for the day equals one-half day of attendance.

6 (c) For common schools, the attendance of a preschool child with
7 disabilities shall be counted as one-fourth day's attendance for each
8 thirty-six minutes of attendance not including lunch periods and recess
9 periods, except as provided in paragraph 2, subdivision (a), item (i) of this
10 subsection for children with disabilities up to a maximum of three hundred
11 sixty minutes each week.

12 (d) For high schools or ungraded schools in which the pupil is at
13 least fourteen years of age by September 1, the attendance of a pupil shall
14 not be counted as a full day unless the pupil is actually and physically in
15 attendance and enrolled in and carrying four subjects, each of which, if
16 taught each school day for the minimum number of days required in a school
17 year, would meet a minimum of one hundred twenty hours a year, or the
18 equivalent, that count toward graduation in a recognized high school except
19 as provided in section 15-797 and subdivision (e) of this paragraph.
20 Attendance of a pupil carrying less than the load prescribed shall be
21 prorated.

22 (e) For high schools or ungraded schools in which the pupil is at
23 least fourteen years of age by September 1, the attendance of a pupil may be
24 counted as one-fourth of a day's attendance for each sixty minutes of
25 instructional time in a subject that counts toward graduation, except that
26 attendance for a pupil shall not exceed the pupil's full or fractional
27 membership.

28 (f) For homebound or hospitalized, a full day of attendance may be
29 counted for each day during a week in which the student receives at least
30 four hours of instruction.

31 (g) For school districts which maintain school for an approved
32 year-round school year operation, attendance shall be based on a computation,

1 as prescribed by the superintendent of public instruction, of the one hundred
2 eighty days' equivalency or two hundred days' equivalency, as applicable, of
3 instructional time as approved by the superintendent of public instruction
4 during which each pupil is enrolled.

5 7. "Daily route mileage" means the sum of:

6 (a) The total number of miles driven daily by all buses of a school
7 district while transporting eligible students from their residence to the
8 school of attendance and from the school of attendance to their residence on
9 scheduled routes approved by the superintendent of public instruction.

10 (b) The total number of miles driven daily on routes approved by the
11 superintendent of public instruction for which a private party, a political
12 subdivision or a common or a contract carrier is reimbursed for bringing an
13 eligible student from the place of his residence to a school transportation
14 pickup point or to the school of attendance and from the school
15 transportation scheduled return point or from the school of attendance to his
16 residence. Daily route mileage includes the total number of miles necessary
17 to drive to transport eligible students from and to their residence as
18 provided in this paragraph.

19 8. "District support level" means the base support level plus the
20 transportation support level.

21 9. "Eligible students" means:

22 (a) Students who are transported by or for a school district and who
23 qualify as full-time students or fractional students, except students for
24 whom transportation is paid by another school district or a county school
25 superintendent, and:

26 (i) For common school students, whose place of actual residence within
27 the school district is more than one mile from the school facility of
28 attendance or students who are admitted pursuant to section 15-816.01 and who
29 meet the economic eligibility requirements established under the national
30 school lunch and child nutrition acts (42 United States Code sections 1751
31 through 1785) for free or reduced price lunches and whose actual place of

1 residence outside the school district boundaries is more than one mile from
2 the school facility of attendance.

3 (ii) For high school students, whose place of actual residence within
4 the school district is more than one and one-half miles from the school
5 facility of attendance or students who are admitted pursuant to section
6 15-816.01 and who meet the economic eligibility requirements established
7 under the national school lunch and child nutrition acts (42 United States
8 Code sections 1751 through 1785) for free or reduced price lunches and whose
9 actual place of residence outside the school district boundaries is more than
10 one and one-half miles from the school facility of attendance.

11 (b) Kindergarten students, for purposes of computing the number of
12 eligible students under subdivision (a), item (i) of this paragraph, shall be
13 counted as full-time students, notwithstanding any other provision of law.

14 (c) Children with disabilities, as defined by section 15-761, who are
15 transported by or for the school district or who are admitted pursuant to
16 chapter 8, article 1.1 of this title and who qualify as full-time students or
17 fractional students regardless of location or residence within the school
18 district or children with disabilities whose transportation is required by
19 the pupil's individualized education program.

20 (d) Students whose residence is outside the school district and who
21 are transported within the school district on the same basis as students who
22 reside in the school district.

23 10. "Enrolled" or "enrollment" means when a pupil is currently
24 registered in the school district.

25 11. "GDP price deflator" means the average of the four implicit price
26 deflators for the gross domestic product reported by the United States
27 department of commerce for the four quarters of the calendar year.

28 12. "High school district" means a political subdivision of this state
29 offering instruction to students for grades nine through twelve or that
30 portion of the budget of a common school district which is allocated to
31 teaching high school subjects with permission of the state board of
32 education.

1 13. "Revenue control limit" means the base revenue control limit plus
2 the transportation revenue control limit.

3 14. "Student count" means average daily membership as prescribed in
4 this subsection for the fiscal year prior to the current year, except that
5 for the purpose of budget preparation student count means average daily
6 membership as prescribed in this subsection for the current year.

7 15. "Submit electronically" means submitted in a format and in a manner
8 prescribed by the department of education.

9 16. "Total bus mileage" means the total number of miles driven by all
10 buses of a school district during the school year.

11 17. "Total students transported" means all eligible students
12 transported from their place of residence to a school transportation pickup
13 point or to the school of attendance and from the school of attendance or
14 from the school transportation scheduled return point to their place of
15 residence.

16 18. "Unified school district" means a political subdivision of the
17 state offering instruction to students in programs for preschool children
18 with disabilities and kindergarten programs and grades one through twelve.

19 B. In this title, unless the context otherwise requires:

20 1. "Base" means the revenue level per student count specified by the
21 legislature.

22 2. "Base level" means:

23 (a) For fiscal year 2006-2007, three thousand one hundred thirty-three
24 dollars fifty-three cents.

25 (b) For fiscal year 2007-2008, three thousand two hundred twenty-six
26 dollars eighty-eight cents.

27 3. "Base revenue control limit" means the base revenue control limit
28 computed as provided in section 15-944.

29 4. "Base support level" means the base support level as provided in
30 section 15-943.

31 5. "Certified teacher" means a person who is certified as a teacher
32 pursuant to the rules adopted by the state board of education, who renders

1 direct and personal services to school children in the form of instruction
2 related to the school district's educational course of study and who is paid
3 from the maintenance and operation section of the budget.

4 6. "DD" MEANS PROGRAMS FOR CHILDREN AGED THREE THROUGH NINE WITH
5 DEVELOPMENTAL DELAYS. A PRESCHOOL CHILD WHO IS CATEGORIZED UNDER THIS
6 PARAGRAPH IS NOT ELIGIBLE TO RECEIVE FUNDING PURSUANT TO SECTION 15-943,
7 PARAGRAPH 2, SUBDIVISION (B).

8 7. "ECSD" MEANS PROGRAMS FOR CHILDREN WITH EARLY CHILDHOOD SEVERE
9 DELAYS AS PRESCRIBED BY SECTION 15-771.

10 ~~6.~~ 8. "ED, MIMR, SLD, SLI and OHI" means programs for children with
11 emotional disabilities, mild mental retardation, a specific learning
12 disability, a speech/language impairment and other health impairments. A
13 PRESCHOOL CHILD WHO IS CATEGORIZED AS SLI UNDER THIS PARAGRAPH IS NOT
14 ELIGIBLE TO RECEIVE FUNDING PURSUANT TO SECTION 15-943, PARAGRAPH 2,
15 SUBDIVISION (b).

16 ~~7.~~ 9. "ED-P" means programs for children with emotional disabilities
17 who are enrolled in private special education programs as prescribed in
18 section 15-765, subsection D, paragraph 1 or in an intensive school district
19 program as provided in section 15-765, subsection D, paragraph 2.

20 ~~8.~~ 10. "ELL" means English learners who do not speak English or whose
21 native language is not English, who are not currently able to perform
22 ordinary classroom work in English and who are enrolled in an English
23 language education program pursuant to sections 15-751, 15-752 and 15-753.

24 ~~9.~~ 11. "Full-time equivalent certified teacher" or "FTE certified
25 teacher" means for a certified teacher the following:

26 (a) If employed full time as defined in section 15-501, 1.00.

27 (b) If employed less than full time, multiply 1.00 by the percentage
28 of a full school day, or its equivalent, or a full class load, or its
29 equivalent, for which the teacher is employed as determined by the governing
30 board.

31 ~~10.~~ 12. "Group A" means educational programs for career exploration, a
32 specific learning disability, an emotional disability, mild mental

1 retardation, remedial education, a speech/language impairment, DEVELOPMENT
2 DELAY, homebound, bilingual, ~~preschool moderate delay, preschool~~
3 ~~speech/language delay~~, other health impairments and gifted pupils.

4 ~~11-~~ 13. "Group B" means educational improvements for pupils in
5 kindergarten programs and grades one through three, educational programs for
6 autism, a hearing impairment, moderate mental retardation, multiple
7 disabilities, multiple disabilities with severe sensory impairment,
8 orthopedic impairments, ~~preschool~~ EARLY CHILDHOOD severe delay, DEVELOPMENTAL
9 DELAY, severe mental retardation and emotional disabilities for school age
10 pupils enrolled in private special education programs or in school district
11 programs for children with severe disabilities or visual impairment and
12 English learners enrolled in a program to promote English language
13 proficiency pursuant to section 15-752.

14 ~~12-~~ 14. "HI" means programs for pupils with hearing impairment.

15 ~~13-~~ 15. "Homebound" or "hospitalized" means a pupil who is capable of
16 profiting from academic instruction but is unable to attend school due to
17 illness, disease, accident or other health conditions, who has been examined
18 by a competent medical doctor and who is certified by that doctor as being
19 unable to attend regular classes for a period of not less than three school
20 months or a pupil who is capable of profiting from academic instruction but
21 is unable to attend school regularly due to chronic or acute health problems,
22 who has been examined by a competent medical doctor and who is certified by
23 that doctor as being unable to attend regular classes for intermittent
24 periods of time totaling three school months during a school year. The
25 medical certification shall state the general medical condition, such as
26 illness, disease or chronic health condition, that is the reason that the
27 pupil is unable to attend school. Homebound or hospitalized includes a
28 student who is unable to attend school for a period of less than three months
29 due to a pregnancy if a competent medical doctor, after an examination,
30 certifies that the student is unable to attend regular classes due to risk to
31 the pregnancy or to the student's health.

32 ~~14-~~ 16. "K" means kindergarten programs.

1 ~~15.~~ 17. "K-3" means kindergarten programs and grades one through three.

2 ~~16.~~ 18. "MD-R, A-R and SMR-R" means resource programs for pupils with
3 multiple disabilities, autism and severe mental retardation.

4 ~~17.~~ 19. "MD-SC, A-SC and SMR-SC" means self-contained programs for
5 pupils with multiple disabilities, autism and severe mental retardation.

6 ~~18.~~ 20. "MDSSI" means a program for pupils with multiple disabilities
7 with severe sensory impairment.

8 ~~19.~~ 21. "MOMR" means programs for pupils with moderate mental
9 retardation.

10 ~~20.~~ 22. "OI-R" means a resource program for pupils with orthopedic
11 impairments.

12 ~~21.~~ 23. "OI-SC" means a self-contained program for pupils with
13 orthopedic impairments.

14 ~~22.~~ 24. "PSD" means preschool programs for children with disabilities
15 as provided in section 15-771.

16 ~~23. "P-SD" means programs for children who meet the definition of~~
17 ~~preschool severe delay as provided in section 15-771.~~

18 ~~24.~~ 25. "Qualifying tax rate" means the qualifying tax rate specified
19 in section 15-971 applied to the assessed valuation used for primary property
20 taxes.

21 ~~25.~~ 26. "Small isolated school district" means a school district which
22 meets all of the following:

23 (a) Has a student count of fewer than six hundred in kindergarten
24 programs and grades one through eight or grades nine through twelve.

25 (b) Contains no school which is fewer than thirty miles by the most
26 reasonable route from another school, or, if road conditions and terrain make
27 the driving slow or hazardous, fifteen miles from another school which
28 teaches one or more of the same grades and is operated by another school
29 district in this state.

30 (c) Is designated as a small isolated school district by the
31 superintendent of public instruction.

~~26.~~ 27. "Small school district" means a school district which meets all of the following:

(a) Has a student count of fewer than six hundred in kindergarten programs and grades one through eight or grades nine through twelve.

(b) Contains at least one school which is fewer than thirty miles by the most reasonable route from another school which teaches one or more of the same grades and is operated by another school district in this state.

(c) Is designated as a small school district by the superintendent of public instruction.

~~27.~~ 28. "Transportation revenue control limit" means the transportation revenue control limit computed as prescribed in section 15-946.

~~28.~~ 29. "Transportation support level" means the support level for pupil transportation operating expenses as provided in section 15-945.

~~29.~~ 30. "VI" means programs for pupils with visual impairments.

~~30.~~ 31. "Voc. Ed." means career and technical education and vocational education programs, as defined in section 15-781.

Sec. 4. Section 15-943, Arizona Revised Statutes, is amended to read:

15-943. Base support level

The base support level for each school district shall be computed as follows:

1. The following support level weights shall be used in paragraph 2, subdivision (a) for the following school districts:

(a) For school districts whose student count in kindergarten programs and grades one through eight is classified in column 1 of this subdivision, the support level weight for kindergarten programs and grades one through eight is the corresponding support level weight prescribed in column 2 or 3 of this subdivision, whichever is appropriate:

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
	Support Level Weight	Support Level Weight
	For Small Isolated	For Small
<u>Student Count</u>	<u>School Districts</u>	<u>School Districts</u>
1-99	1.559	1.399

100-499	$1.358 + [0.0005 \times (500 - \text{student count})]$	$1.278 + [0.0003 \times (500 - \text{student count})]$
500-599	$1.158 + [0.002 \times (600 - \text{student count})]$	$1.158 + [0.0012 \times (600 - \text{student count})]$

(b) For school districts whose student count in grades nine through twelve is classified in column 1 of this subdivision, the support level weight for grades nine through twelve is the corresponding support level weight prescribed in column 2 or 3 of this subdivision, whichever is appropriate:

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
	Support Level Weight	Support Level Weight
	For Small Isolated	For Small
<u>Student Count</u>	<u>School Districts</u>	<u>School Districts</u>
1-99	1.669	1.559
100-499	$1.468 + [0.0005 \times (500 - \text{student count})]$	$1.398 + [0.0004 \times (500 - \text{student count})]$
500-599	$1.268 + [0.002 \times (600 - \text{student count})]$	$1.268 + [0.0013 \times (600 - \text{student count})]$

2. Subject to paragraph 1, determine the weighted student count as follows:

(a)

<u>Grade</u>	<u>Base</u>	<u>Group A</u>	<u>Weight</u>	<u>Count</u>	<u>Count</u>
PSD	1.000	+	0.450	= 1.450	x _____ =
K-8	1.000	+	0.158	= 1.158	x _____ =
9-12	1.163	+	0.105	= 1.268	x _____ =
Subtotal				A	_____

1	(b)					
2		Support			Weighted	
3	Funding	Level	Student		Student	
4	<u>Category</u>	<u>Weight</u>	<u>Count</u>		<u>Count</u>	
5	HI	4.771	x	_____	=	_____
6	K, for fiscal year					
7	2006-2007	0.835	x	_____	=	_____
8	K, for fiscal year					
9	2007-2008 and each					
10	fiscal year thereafter	1.352	x	_____	=	_____
11	K-3	0.060	x	_____	=	_____
12	ELL	0.115	x	_____	=	_____
13	MD-R, A-R and					
14	SMR-R	6.024	x	_____	=	_____
15	MD-SC, A-SC and					
16	SMR-SC	5.833	x	_____	=	_____
17	MD-SSI	7.947	x	_____	=	_____
18	OI-R	3.158	x	_____	=	_____
19	OI-SC	6.773	x	_____	=	_____
20	P-SD ECSD	3.595	x	_____	=	_____
21	DD, ED, MIMR, SLD,					
22	SLI and OHI	0.003	x	_____	=	_____
23	ED-P	4.822	x	_____	=	_____
24	MOMR	4.421	x	_____	=	_____
25	VI	4.806	x	_____	=	_____
26		Subtotal			B	_____
27	(c) Total of subtotals A and B:					_____
28	3. Multiply the total determined in paragraph 2 by the base level.					
29	4. Multiply the teacher experience index of the district or 1.00,					
30	whichever is greater, by the product obtained in paragraph 3.					
31	Sec. 5. Section 15-948, Arizona Revised Statutes, is amended to read:					
32	15-948. <u>Adjustment for growth in student count</u>					

1 A. Any school district may, after the first one hundred days or two
2 hundred days in session, as applicable, of the current year, determine if it
3 is eligible to increase its revenue control limit and district support level
4 for the current year due to growth in the student population as follows:

5 1. Determine the student count used for calculating the base support
6 level for the current year.

7 2. Determine the average daily membership or adjusted average daily
8 membership, whichever is applicable, through the first one hundred days or
9 two hundred days in session, as applicable, of the current year.

10 3. Subtract the amount determined in paragraph 1 of this subsection
11 from the amount determined in paragraph 2 of this subsection.

12 4. If the amount determined in paragraph 2 of this subsection is
13 greater than the amount determined in paragraph 1 of this subsection, the
14 governing board of the school district may compute an increase to its revenue
15 control limit and district support level for the current year.

16 B. A school district may, after the first one hundred days or two
17 hundred days in session, as applicable, of the current year, determine if it
18 is eligible to compute an increase to its revenue control limit for the
19 current year due to growth in the number of pupils in the group B categories
20 of moderate or severe mental retardation, visual impairment, hearing
21 impairment, multiple disabilities, multiple disabilities with severe sensory
22 impairment, orthopedic impairment, ~~preschool~~ EARLY CHILDHOOD severe delay,
23 DEVELOPMENTAL DELAY and emotionally disabled pupils enrolled in private
24 special education programs or in school district programs for pupils with
25 severe disabilities as follows:

26 1. Determine the weighted student count for all group B children with
27 disabilities used for calculating the base support level for the current
28 year.

29 2. Determine the weighted average daily membership for all group B
30 children with disabilities through the first one hundred days or two hundred
31 days in session, as applicable, of the current year.

1 3. Subtract the amount determined in paragraph 1 of this subsection
2 from the amount determined in paragraph 2 of this subsection.

3 4. If the amount determined in paragraph 2 of this subsection is
4 greater than the amount determined in paragraph 1 of this subsection, the
5 governing board of the school district may compute an increase to its revenue
6 control limit and district support level for the current year by using the
7 amount determined in paragraph 3 of this subsection for the weighted student
8 count and the base level for the district for the current year.

9 C. If a school district meets the criteria specified in subsection A
10 or B of this section, or both, the governing board of the school district
11 may, after notice is given and a public hearing held as provided in section
12 15-905, subsection D, at any time prior to May 15 revise its budget to
13 include the increase in its revenue control limit and district support level
14 for the current year utilizing the procedure prescribed in subsection A or B
15 of this section, or both. Not later than May 18, the budget as revised shall
16 be submitted electronically to the superintendent of public instruction.

17 D. If the revised budget is adopted by the governing board at the
18 public hearing and submitted electronically as provided in subsection C of
19 this section, the school district shall receive state aid based upon the
20 adjusted revenue control limit or the adjusted district support level in the
21 manner specified in section 15-971, except that in no event shall the school
22 district receive less state aid than it would have received if it had not
23 used this section.

24 E. If the adjusted revenue control limit results in an expenditure of
25 funds in excess of school district revenues for the current year, the county
26 school superintendent shall include within the revenue estimate for the
27 budget year funds necessary to meet the liabilities incurred by the school
28 district in the current year in excess of revenues received for the current
29 year.

30 Sec. 6. Section 43-1089, Arizona Revised Statutes, is amended to read:

31 43-1089. Credit for contributions to school tuition
32 organization; definitions

1 A. A credit is allowed against the taxes imposed by this title for the
2 amount of voluntary cash contributions made by the taxpayer during the
3 taxable year to a school tuition organization, but not exceeding:

4 1. Five hundred dollars in any taxable year for a single individual or
5 a head of household.

6 2. Eight hundred twenty-five dollars in taxable year 2005 for a
7 married couple filing a joint return.

8 3. One thousand dollars in taxable year 2006 and any subsequent
9 TAXABLE year for a married couple filing a joint return.

10 B. A husband and wife who file separate returns for a taxable year in
11 which they could have filed a joint return may each claim only one-half of
12 the tax credit that would have been allowed for a joint return.

13 C. If the allowable tax credit exceeds the taxes otherwise due under
14 this title on the claimant's income, or if there are no taxes due under this
15 title, the taxpayer may carry the amount of the claim not used to offset the
16 taxes under this title forward for not more than five consecutive taxable
17 years' income tax liability.

18 D. The credit allowed by this section is in lieu of any deduction
19 pursuant to section 170 of the internal revenue code and taken for state tax
20 purposes.

21 E. The tax credit is not allowed if the taxpayer designates the
22 taxpayer's contribution to the school tuition organization for the direct
23 benefit of any dependent of the taxpayer.

24 F. A school tuition organization that receives a voluntary cash
25 contribution pursuant to subsection A shall report to the department, in a
26 form prescribed by the department, by February 28 of each year the following
27 information:

28 1. The name, address and contact name of the school tuition
29 organization.

30 2. The total number of contributions received during the previous
31 calendar year.

1 3. The total dollar amount of contributions received during the
2 previous calendar year.

3 4. The total number of children awarded educational scholarships or
4 tuition grants during the previous calendar year.

5 5. The total dollar amount of educational scholarships and tuition
6 grants awarded during the previous calendar year.

7 6. For each school to which educational scholarships or tuition grants
8 were awarded:

9 (a) The name and address of the school.

10 (b) The number of educational scholarships and tuition grants awarded
11 during the previous calendar year.

12 (c) The total dollar amount of educational scholarships and tuition
13 grants awarded during the previous calendar year.

14 G. For the purposes of this section:

15 1. "Handicapped student" means a student who has any of the following
16 conditions:

17 (a) Hearing impairment.

18 (b) Visual impairment.

19 (c) ~~Preschool-moderate~~ DEVELOPMENTAL delay.

20 (d) ~~Preschool~~ EARLY CHILDHOOD severe delay.

21 (e) ~~Preschool~~ Speech ~~or~~ language ~~delay~~ IMPAIRMENT.

22 2. "Qualified school" means a nongovernmental primary school or
23 secondary school or a preschool for handicapped students that is located in
24 this state, that does not discriminate on the basis of race, color, handicap,
25 familial status or national origin and that satisfies the requirements
26 prescribed by law for private schools in this state on January 1, 1997.

27 3. "School tuition organization" means a charitable organization in
28 this state that is exempt from federal taxation under section 501(c)(3) of
29 the internal revenue code and that allocates at least ninety per cent of its
30 annual revenue for educational scholarships or tuition grants to children to
31 allow them to attend any qualified school of their parents' choice. In
32 addition, to qualify as a school tuition organization the charitable

- 1 organization shall provide educational scholarships or tuition grants to
- 2 students without limiting availability to only students of one school.”
- 3 Amend title to conform

2/25/08

8:56 AM

S: DW/jas